

Department of Legislative Services

Maryland General Assembly

2007 Session

FISCAL AND POLICY NOTE

House Bill 271

(Delegate Stifler, *et al.*)

Economic Matters

Finance

Workers' Compensation - Unpaid Work-Based Learning Experiences - Coverage

This bill provides that a student placed in an unpaid work-based learning experience by a private school is a covered employee for the purpose of workers' compensation.

Fiscal Summary

State Effect: Potential minimal increase in workers' compensation premium costs if private school students are placed in State agencies, up to \$250 per student.

Local Effect: Potential minimal increase in workers' compensation premium costs if private school students are placed in local government agencies, up to \$250 per student.

Small Business Effect: Potential minimal. Small businesses that employ nonpublic school students would be responsible for workers' compensation premiums up to \$250. Nonpublic schools would be responsible for workers' compensation premium costs in excess of \$250 per student.

Analysis

Current Law: An unpaid work-based learning experience is a structured employer-supervised work program that links with classroom instruction. The terms of the placement are based on a written agreement between a county board of education and a participating employer.

An employer of a student in a work-based learning experience is required to secure workers' compensation coverage for that student. This requirement may be satisfied if a

county school board elects to cover the student in the work-based experience. In the event that a county school board provides coverage for a student, the participating employer is required to reimburse the board the lesser of \$250 or the cost of the premium. Regardless of the organization that secures coverage, the student is considered a covered employee of the participating employer.

Background: A total of 1,050,627 students were enrolled in Maryland schools during the 2005-2006 school year. Of this number, 190,606 students, or 18%, attended private schools in the State.

Workers' compensation coverage for unpaid work-based learning experiences is currently limited to students placed by a county board of education. Students are eligible for medical benefits, but not indemnity, as they work without pay. The Injured Workers' Insurance Fund advises that because very few cases have arisen under the current law, this bill is expected to have an insignificant impact on workers' compensation costs.

Small Business Effect: Small businesses would be responsible for the lesser of \$250 or the cost of the workers' compensation premium for each student. Nonpublic schools would be responsible for premiums in excess of \$250. Coverage would protect small businesses from tort liability for injuries sustained by nonpublic school students placed in unpaid work-based learning experiences.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): National Council on Compensation Insurance; Uninsured Employers' Fund; Injured Workers' Insurance Fund; Maryland State Department of Education; Subsequent Injury Fund; Department of Labor, Licensing, and Regulation; Maryland State Department of Education; Department of Legislative Services

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